

VZCZCXRO3836

RR RUEHCHI RUEHDT RUEHNH RUEHPB  
DE RUEHGP #0998/01 0870828

ZNR UUUUU ZZH

R 280828Z MAR 06

FM AMEMBASSY SINGAPORE

TO RUEHC/SECSTATE WASHDC 9345

RUEHRC/USDA FAS WASHDC

INFO RUCPDOC/DEPT OF COMMERCE WASHDC

RUEHKL/AMEMBASSY KUALA LUMPUR 4025

RUEHKO/AMEMBASSY TOKYO 5304

RUEHUL/AMEMBASSY SEOUL 3836

RUEHIN/AIT TAIPEI 6356

RUEHHK/AMCONSUL HONG KONG 5976

RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE

UNCLAS SECTION 01 OF 03 SINGAPORE 000998

SIPDIS

SIPDIS

SENSITIVE

USDA FAS FOR OA, CMP/DLP, ITP/AAD, FSIS, AMS  
USTR FOR AUSTR BWEISEL, EBRYAN, AND JJENSEN

TOKYO FOR AG MIN COUNSELOR PASS USDA TEAM

FWS AND OES FOR BCATES

MANILA FOR APHIS

E.O. 12958: N/A

TAGS: [EAGR](#) [KFLU](#) [TBIO](#) [SENV](#) [ETRD](#) [ECON](#) [SN](#)

SUBJECT: AMBASSADOR ADDRESSES BEEF CONCERN WITH AVA CHAIRMAN

REF: A) Singapore 0928 B) Singapore 0818

**¶1.** (SBU) Summary. The Ambassador assured Agri-Food and Veterinary Authority (AVA) Chairman KOH Poh Tiong and CEO Dr. Chua Sin Bin that U.S. beef was safe in a March 24 meeting. She said that Singapore's issues with quality control stemmed from differing definitions of what constituted boneless beef under our import agreement. AVA agreed to meet with USDA or industry experts currently traveling in the region; the meeting is scheduled for March 30. CEO Chua said that recent outbreaks of Avian Influenza (AI) in Malaysia were having an effect on Singapore's ability to source certain poultry and duck products. Chairman Koh said that AVA needed to do more to encourage consumption of liquid eggs to minimize the risk of further disruptions to the food supply. In addition to the Ministry of Health-led Indonesian AI Trilateral Project, AVA was exploring a similar bilateral animal health-related project in nearby Batam where several Singapore companies have invested in a special economic zone. CEO Chua asked for USG support to lift its ban on exports of Arowana Dragonfish, an endangered species. The Ambassador called on Singapore to enhance its monitoring of illegal Ramin timber shipments, another endangered species. CEO Chua said that Singapore had recently strengthened its protections in this area, including stiffer penalties. End summary.

U.S. Beef

-----

**¶2.** (SBU) During her March 24 courtesy call, the Ambassador assured AVA Chairman Koh and CEO Chua that U.S. beef imports were safe. She underscored that the USG took Singapore's concerns with quality controls and safety very seriously, and expressed her appreciation for the quiet and cooperative manner in which AVA had dealt with these issues thus far. She noted that USDA and industry were working closely with U.S. packers to ensure the absolute minimum number of defects. The Ambassador suggested that this issue was primarily definitional, i.e., it centered on different interpretations of what are "boneless" beef cuts. Noting that a team of experts from USDA was currently in the region, the Ambassador offered, and Chairman Koh agreed, to invite some of them to visit Singapore in order to resolve this matter. She said that industry representatives also had offered to meet with AVA. Chairman Koh said that it was important to

stay focused on working towards full compliance. He noted that Singapore wanted U.S. beef in its market to enhance the diversity of its food supply. Having the option of offering U.S. beef to transiting ships and aircraft would further strengthen Singapore's position as a regional food re-supply hub as well as offer a wider market for U.S. product, he said; ensuring food safety, however, was paramount. Comment: While AVA officers generally accept that the bone fragments do not present a food safety risk, Chairman Koh did cite safety as a concern. End comment.

**13.** (SBU) As reported reftel, since Singapore lifted its ban on U.S. beef January 17, AVA has identified soft-bone and skeletal bone fragments in all six initial consignments. After the Ambassador's meeting, AVA Deputy CEO Dr. CHEW Siang Thai informed Agricultural Counselor on March 27 that Singapore had decided not/not to reject entire shipments of beef, for now. AVA will instead continue its practice of intensive inspection and piece-by-piece rejection. Following up on the Ambassador's offer, three USDA experts now plan travel to Singapore to meet with the AVA March 30. Dr. Chew also agreed to a presentation by U.S. Meat Export Federation's Kevin Smith. These presentations will focus on the types of bone fragments the Singaporeans are encountering, how the fragents arise in the cutting process, the steps industry will take to limit fragment occurrence, and the development of defect criteria for boneless beef.

#### Avian Influenza

---

**14.** (U) Asked how its neighbors' problems with AI were affecting Singapore, CEO Chua said that AVA's decision to ban poultry imports from Malaysia's Perak State following a recent outbreak

SINGAPORE 00000998 002 OF 003

there among backyard farms and a bird park affected 80 percent of Singapore's normal live duck supply. Singapore had about a one-month supply of locally-slaughtered ducks in cold storage, with Malaysia's Johor State and imports from the United States and Europe continuing to cover 20 percent of demand, he said. If the ban persisted more than five or six weeks, however, Singapore would have to look to the United States and Europe for additional supply sources, he explained.

#### Indonesia - Avian Influenza Trilateral Project

---

**15.** (U) CEO Chua said that Singapore was engaging Indonesia on several fronts to help it implement its national AI preparedness plan, including the Singapore-proposed Avian Influenza Trilateral Project in Indonesia's Tangerang Municipality (reftel B). He said that AVA had begun exploring a similar, albeit smaller-scale project focused on animal health and safety in nearby Batam Island, where many Singapore companies have invested in a Special Economic Zone.

#### Liquid Eggs

---

**16.** (U) Chairman Koh noted that, in order to help minimize AI's ability to disrupt the food supply, AVA needed to do more to persuade consumers to switch from fresh to liquid and powdered eggs (Singapore's liquid egg consumption, primarily among commercial users, is about two percent of total egg consumption compared to about 30 percent in the United States). He observed, however, that demand for fresh eggs was fairly price inelastic; after AVA banned all imports of Malaysian eggs in response to AI outbreaks there in 2004, consumers were willing to pay as much as six times more for local and Australian eggs. Also attending the meeting, Ag Counselor expressed his hope that AVA would soon approve the U.S.'s first application to import fresh eggs from Pennsylvania.

#### Arowana Dragonfish

---

¶7. (U) CEO Chua asked that the USG reconsider its ban on Singapore exports of Arowana Dragonfish, an endangered species protected under the Convention on International Trade in Endangered Species (CITES) and the Environmental Protection Act. CEO Chua explained that Singapore had been successful in captive-breeding of Arowana and that it exported the fish to many other countries (Singapore reportedly has a 25-percent global market share for ornamental tropical fish). Singapore was the first country to obtain CITES' certification to farm-raise Arowana, CEO Chua said. AVA was introducing Arowana into Singapore's reservoirs (where fishing is prohibited) to develop a domestic wild population, and assisting neighboring countries with their own conservation efforts, he explained.

Ramin Timber

-----

¶8. (SBU) Noting that the U.S. ban on Arowana imports was one of the issues Singapore wanted to discuss at the second annual Free Trade Agreement (FTA) review in Washington March 30, the Ambassador said that we would similarly raise our request that Singapore do more to monitor and intercept illegal shipments of Ramin timber, another endangered species. CEO Chua asserted that Singapore was committed to combating trade in endangered species. He noted that Singapore had recently enacted new legislation to enhance such protections, including substantial increases in fines and enhanced authority relevant to transshipped and transit cargo (reported septel).

¶9. (SBU) Comment: Post appreciates Washington's assistance in arranging the visit of the USDA experts on short notice. The visit should help resolve our beef import issues with Singapore, specifically by defining defect criteria in boneless beef cuts to help AVA move away from its current zero-tolerance policy. AVA is willing to talk, and has so far worked closely with USDA and the Embassy to handle this matter discreetly and professionally.

SINGAPORE 00000998 003 OF 003

End comment.

HERBOLD